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February 12, 1946

RE: SPECIAL INTELLIGENCE SERVICE OF THE
FEDERAL BUREAU OF INVESTIGATION

ORIGIN AND DEVELOPMENT

The Special Intelligence Service of the Federal Bureau of Investigation has been operating throughout the Western Hemisphere since June 24, 1940. On that date Assistant Secretary of State Adolf A. Berle, Jr. directed a memorandum to the Director of the Federal Bureau of Investigation and the heads of the Office of Naval Intelligence and Military Intelligence Division advising that the President had informed him that he wished the FBI to be responsible for foreign intelligence work in the Western Hemisphere. The President also stated that the FBI might be called in by the State Department on special assignments outside the Western Hemisphere. A written directive was signed by the President on January 6, 1942, stating that in accordance with previous instructions the Federal Bureau of Investigation had set up a special intelligence service covering the Western Hemisphere and that in order to have all responsibility centered in the Federal Bureau of Investigation in this field, he approved the arrangements and instructed that the heads of all governmental departments and agencies clear directly with the Federal Bureau of Investigation in connection with any intelligence work within the sphere indicated. The Director of the Federal Bureau of Investigation was authorized and instructed in this Directive to convene meetings of the chiefs of the corresponding services operating in the Western Hemisphere and to maintain liaison with all intelligence agencies operating within the Western Hemisphere.

Supplementing the Presidential Directive, a Delimitation Agreement was signed by the Director of the Federal Bureau of Investigation, the Director of Naval Intelligence and the Assistant Chief of Staff, G-2, on November 25, 1942. This agreement provided that the FBI would be responsible for, among other things, the obtaining in the Western Hemisphere, with the exception of the Republic of Panama, economic, political, industrial, financial and subversive information and also information concerning movements, organizations and individuals whose activities are prejudicial to the interests of the United States by reasons of espionage, sabotage or otherwise. It was agreed that the Military Intelligence Division and the Office of Naval Intelligence would be responsible for a continuation of the work normally outlined for and executed by Military and Naval Attaches, as well as the collection of military and naval information which would be needed by the Army or Navy.

The Delimitation Agreement regarding clandestine radio stations was signed February 6, 1943, by the Directors of the FBI, ONI and G-2, providing that the Military Intelligence Division be responsible for the establishment of a network to locate clandestine radio stations in Latin America and that the

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FBI would be responsible for taking the action considered most advisable after concurrence of MID and ONI regarding clandestine stations which had been located by the FBI or by the technical network established by G-2.

Based on the Presidential Directive and the Delimitation Agreement the Federal Bureau of Investigation has developed a plan of operation which today effectuates complete coverage of all forms of secret intelligence and counterintelligence in the Western Hemisphere.

METHOD OF OPERATION

There is established in the American Embassies of each of the Latin American countries a Federal Bureau of Investigation representative under the title of Legal Attache (in Mexico and Haiti Civil Attache) who is in charge of the secret intelligence operations of the Federal Bureau of Investigation in the particular country. The necessary assistants are provided as Assistant Legal Attaches or under some other nominal title such as Vice Consul. Adequate clerical, stenographic and technical aides are provided in the office of each Legal Attache. The Legal Attache, in addition to his supervisory duties, maintains close liaison with the Ambassador and other Embassy officials, with the Military and Naval Attaches and with other intelligence groups where desirable and possible. The work of the office of the Legal Attache is supplemented by the necessary undercover operatives who function ostensibly as American businessmen or under some other appropriate cover but who provide their information to the Legal Attache through appropriate secret means for coordination with all other information obtained.

In intelligence operations it is obvious that on many occasions speed is of the essence in providing the secret intelligence information obtained to officials in Washington. In this connection there is maintained in the offices of the Legal Attache in thirteen of the Latin American countries a complete radio transmitting station which is in regular continuous contact with the Federal Bureau of Investigation headquarters in Washington. These transmitters are available to the Ambassador as well as to the Military and Naval Attache in the event of an emergency and have been so utilized on a number of occasions with benefit to the United States government.

There has been developed a system of open liaison with police departments in Latin America through assignment of FBI liaison agents to these departments and the training of Latin American police officials in Washington. This liaison has been exceedingly productive in the counterintelligence field as evidenced by the conclusive action taken against German and Japanese subversive agents in Latin America during the war period. This liaison has also produced exceedingly effective results in the field of positive intelligence, particularly with reference to native subversive movements and the local political situation. Valuable sources for positive intelligence have been obtained which have never before been available to the United States government. At present the FBI maintains Police Liaison Agents in fourteen cities located in

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twelve countries of Latin America. There is stationed in Ottawa, Canada, a Special Agent who is in liaison with the Royal Canadian Mounted Police.

The prime factor, of course, in the success or failure of an intelligence or counterintelligence organization is the adequacy of the confidential informant coverage available to the organization. During the period of operation by the Federal Bureau of Investigation in Latin America, a comprehensive and all-inclusive confidential informant plan has been developed. At the present time the Special Agents in the SIS field are operating approximately 3,000 active confidential informants and sources of information throughout Central and South America. These informants range from Latin American Presidents or their relatives, Cabinet Ministers, Military Officials, bankers, industrialists, police officers, merchants, customs officers, etc., to the "man on the street," that is, cab drivers, dock workers, bartenders, etc. Also adequate secret coverage has been developed of the diplomatic establishments of foreign powers as well as among foreign nationality groups in Latin America.

FIELDS OF OPERATION

Espionage and Counterespionage. The espionage services of all major countries of the world operate on a worldwide basis both in peace and in war and, therefore, continuous counterespionage vigilance is an absolute necessity. The counterespionage operations and the action taken by the Federal Bureau of Investigation during the war period demonstrated the importance of the information obtained in Latin America and other areas of the world in connection with the internal security of the United States. The Axis agents who physically operated in Latin America endeavored to obtain information concerning or from the United States and transmitted it through drop boxes in Spain or other neutral countries to Germany or Japan. At present the necessary counterintelligence coverage is being maintained not only to insure that the Germans are not able to again engage in anti-United States activities but also to obtain the information concerning the activities of other countries of the world in the espionage or intelligence field. It is known for instance that the Russians, the British and the French are all interested in establishing intelligence networks in Latin America and of course appropriate coverage of their activities is maintained.

Secret Political Activities. International political intrigue and political developments in the Latin American countries are of outstanding importance and interest with respect to present intelligence coverage and, therefore, continuous and close attention are given to them by the Federal Bureau of Investigation. The nature of the operations of the FBI representatives and the development of undercover confidential informants and agents makes possible the obtaining of secret political intelligence which is not available to the diplomatic representatives of the United States Government. This field of intelligence, because of the proximity to the United States of Latin America and the vital interest to the United States Government in that area, is of outstanding importance.

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Anti-United States Activities in General. The United States must be informed of the activities of all its potential enemies, of subversive ideological attacks against the United States any place in the world, and concerning the activities of all foreign influences in any country, particularly in Latin America, in view of our paramount interest there. Coverage in these fields is maintained throughout Latin America in order that the efforts to combat United States influence from any source may be promptly detected.

Communist Movement. Although the Communist movement may be obliged to employ different tactics in particular countries, there is every evidence of a singleness of objective, that is, to bring about Communist control. The Communist movement is extensive in Latin America and receives well deserved attention from the Federal Bureau of Investigation, particularly with reference to organizational structure of Communist Parties in Latin America, propaganda and educational activities of the Party, Communist infiltration of labor, Communist activities among the foreign nationality groups and Communist front organizations.

Economic Information. The obtaining of economic information in foreign countries during peace or war must receive attention approximating that given to obtaining military and naval data if a country's potentiality for modern warfare is to be determined. The attitude of a country's industrialists as well as the activities of its scientists and technicians and the existence of raw materials and production facilities must be determined. Coverage in secret economic intelligence, as contrasted to that normally carried on by the Commercial Attaches, is maintained in Latin America. For instance, extensive work is now being done in connection with ferreting out hidden Axis assets in Latin America and in determining whether any assets have been moved from the Axis countries to Latin America for the purposes of concealment and future use.

Special Investigations. As a result of the establishment of the special intelligence network in Latin America, the Federal Bureau of Investigation has been able to carry on a number of vital special investigations for the various departments of the United States Government. Security checks have been made of the facilities in most of our Latin American embassies and two Special Agents of the FBI are presently making security checks of the embassies in other parts of the world. Surveys of the major plants and industrial facilities were made throughout Latin America during the war at the specific request of the Army and Navy. One hundred and ~~twenty~~-six facilities were surveyed and appropriate recommendations made for their protection.

The FBI has undertaken on request of the State Department, special security and intelligence coverage in connection with international conferences held in Latin America. Numerous investigations have been made at the request of the United States Ambassadors in the various countries. A complete survey

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with reference to the platinum industry in Colombia, one of the leading countries in platinum production in the world, was made during the war at a time when it was believed considerable platinum was being smuggled to the Axis. Investigations have been made for numerous other governmental agencies, such as an investigation of the lack of security on the initial flight of the B-29 bombers to China, a check on a Chinese narcotic ring in Mexico for the Treasury Department, and a check on counterfeiting of United States money in Ecuador, etc.

LIAISON OFFICES IN THE EASTERN HEMISPHERE

In addition to the above-outlined operations in Latin America, the FBI has special agents stationed in a number of Eastern Hemisphere countries to act in liaison not only with United States governmental intelligence agencies but with foreign intelligence agencies. These liaison agents are able to insure the expeditious securing of information which is vital to the internal security of the United States and necessary to the jurisdiction and responsibilities of the FBI in the United States and Latin America. It is not possible to completely separate foreign and domestic intelligence; for instance, the statements made by and the activities of Jacques Duclos, the Communist leader in France, had a profound effect on the Communist movement in the United States. The handling of intelligence connected with the various foreign nationality groups in the United States vitally depends upon information from their home countries which is, of course, obtainable only in foreign intelligence fields. The detection of enemy espionage agents in the United States, of course, should begin by the detection of their departure from their home countries and their activities should be followed throughout the various countries in which they may travel on their way to the United States.

In Latin America through the war period the Axis subversive movements were principally operated out of the Iberian Peninsula and the communications system utilized by the Axis agents touched on many other Eastern Hemisphere countries. The handling of counterespionage operations against the Axis' subversive attacks in both Latin America and the United States necessitated a prompt obtaining of information from the European Continent as well as other places in the world. The FBI Liaison Agents in the Eastern Hemisphere facilitated the obtaining of this information which was and continues to be an absolute necessity in connection with the jurisdiction and responsibilities of the Federal Bureau of Investigation in the Western Hemisphere.

There are now stationed Legal Attaches and FBI Liaison Agents in the American Embassies in Paris, France, Rome, Italy, Lisbon, Portugal, Madrid, Spain and London, England, and with the United States Army in Manila, Philippine Islands and Tokyo, Japan.

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